

APPEAL TO THE FEDERAL COMMUNICATIONS COMISSION

CC DOCKET NUMBERS 96-45 AND 97-21

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Appellant:

Northern Waters Library Service (NWLS)
3200 East Lakeshore Drive
Ashland, WI. 54806

RECEIVED

APR 12 2001

(715) 682-2365

FCC MAIL ROOM

Contact person: Jay Moynihan jmoynihan@nwls.lin.wi.us

NWLS E-Rate billed entity # 133404

NWLS hereby appeals the decision of the Administrator of The Universal Services Fund, which is attached hereto, consisting of two pages, and hereby incorporated here in for reference.

NWLS states that said denial by said administrator is not in accordance with the laws, rules and regulations of the law, and will create hardship for the Appellant and its member libraries.

That the late notice of the attached decision further creates hardship for the Appellant and its member libraries.

Respectfully submitted,



Jay Moynihan
Information Services Librarian
NWLS

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Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2000-2001

March 13, 2001

Jay Moynihan
Northern Waters Library Service
3200 East Lakeshore Drive
Ashland, WI 54806

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Re: Billed Entity Number: 133404
471 Application Number: 182024
Funding Request Number(s): 375709, 375772, 375870, 375921, 375985,
376039, 376086, 376139, 376191, 376232,
376301, 376364, 376420, 376473, 376527,
376598, 376650, 376721, 376845, 376912

Your Correspondence Dated: June 28, 2000

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year Three Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 30-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

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376598, 376650, 376721, 376845, 376912

Decision on Appeal: **Denied in full**
Explanation:

- You have stated in your appeal that the above funding requests are for internal connections services that are desperately needed. These funding requests are for hubs, routers, and maintenance on existing hubs and routers. You request that SLD provide funding for these services.

- You filed a Form 471 as a library consortium seeking funding for **site-specific** internal connections. You indicated on your Form 471 that the site-specific discounts are: **47%, 58%, 60%, 63%, 75%, 77%, and 80%**. Your discount level is determined by the discount matrix. For Funding Year Three, there are not sufficient funds to provide internal connections discounts to applicants at your discount rate. Consequently, SLD denies your appeal because there is insufficient funding for Funding Year Three to provide discounts for internal connections requests to applicants that are below the 82% discount level.
- FCC rules require that where demand for funding exceeds available support, first priority be given to requests for telecommunications services and Internet access. *See* 47 C.F.R. §54.507(g)(1)(i). FCC rules further require that requests for internal connections be given second priority, and be funded only if funds remain after support has been provided for telecommunications and Internet access through all discount levels in a funding year. *See* 47 C.F.R. § 54.507(g)(1)(ii). Where demand for discounts for internal connections exceeds available support, FCC rules require that funding be allocated to the most economically disadvantaged schools as determined by the matrix at 47 C.F.R. § 54.505(c). *See* 47 C.F.R. § 54.507(g)(1)(ii). Pursuant to the matrix, funds are allocated first to applicants eligible for a 90 percent discount, then to schools eligible for an 80 percent discount, and in the same manner until no funds remain. *See* 47 C.F.R. § 54.507(g)(1)(ii)-(iii). For schools and libraries that create consortia for the purposes of making funding requests and sharing services, the discount level is calculated by averaging the applicable discounts of the schools and libraries that are members of the consortia. *See* 47 C.F.R. § 54.505(4). Because discount levels for consortia are determined in this manner, the discount levels for shared services requests are single discount level percentages rather than the broad discount level percentages for individual applicants as determined by the matrix. *See* 64 Fed. Reg. 33785 (1999). Consequently, where demand for discounts for internal connections exceeds available support, funds are allocated first to applicants at the 90 percent discount level, and then at each descending single percentage until there are no remaining funds. *See* 47 C.F.R. § 54.507(g)(1)(iii).

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission, Office of the Secretary, 445 12th Street, SW, Room TW-A325, Washington, DC 20554. Please reference CC Docket Nos. 96-45 and 97-21 on the first page of your appeal. Before preparing and submitting your appeal, please be sure to review the FCC rules concerning the filing of an appeal of an Administrator's Decision, which are posted on the website at <www.universalservice.org>. **You must file your appeal with the FCC no later than 30 days from the date on this letter for your appeal to be filed in a timely fashion.**

We thank you for your continued support, patience, and cooperation during the appeal process.